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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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April 27, 2007

Malik Ahmed, CEO/President
Better Family Life, Inc.
724 N. Union, Suite 301
St. Louis, MO 63133

RE: Fiscal Monitoring Report of Better Family Life, Inc. (#2007-SLATE 7)

Dear Mr. Ahmed:

Enclosed is a report of our fiscal monitoring review of Better Family Life, Inc. (Contracts #660-07, and #661-07) for the period July 1, 2006 through November 30, 2006. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Better Family Life, Inc. Our fieldwork was completed on February 15, 2007.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and through an agreement with the St. Louis Agency on Training and Employment (SLATE) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact Charles Schroeder at 589-6089.

Sincerely,

Sedrick D. Blake, CPA
Audit/Fiscal Executive

Enclosure

cc: Edward T. Jones, Director, SLATE
Kim Neske, Fiscal Manager, SLATE



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)

***BETTER FAMILY LIFE, INC.
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
CFDA #93.558 CONTRACTS #660-07 & 661-07
DOCUMENTS #54094 & #54245***

FISCAL MONITORING REVIEW

JULY 1, 2006 THROUGH NOVEMBER 30, 2006

PROJECT #2007-SLATE7

DATE ISSUED: APRIL 27, 2007



***Prepared by:
The Internal Audit Section***

OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
BETTER FAMILY LIFE, INC.
CONTRACTS #660-07 and #661-07
FISCAL MONITORING REVIEW
JULY 1, 2006 THROUGH NOVEMBER 30, 2006**

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**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
BETTER FAMILY LIFE, INC.
CONTRACTS #660-07, and #661-07
FISCAL MONITORING REVIEW
JULY 1, 2006 THROUGH NOVEMBER 30, 2006**

INTRODUCTION

Background

Contract Name: Better Family Life, Inc.
CFDA Number: 93.558

Contract Numbers: #660-07 and #661-07

Contract Periods: July 1, 2006 through June 30, 2007
Review Periods: July 1, 2006 through November 30, 2006

Contract Amounts: \$1,675,157.75 and \$100,000

Contract #660-07 provides Better Family Life with funds for their adult and youth service programs. These programs included: (1) development of individual employment plans, (2) support services such as day-care, housing and transportation, and (3) counseling for participants to become self sufficient.

Contract #661-07 provides Better Family Life with funds for its transportation and mobility counseling programs. These services are provided through six area faith-based churches.

Purpose

The purpose of our review was to determine Better Family Life, Inc.'s compliance with federal, state and local SLATE requirements for the period July 1, 2006 through November 30, 2006. We will make recommendations for improvements if necessary.

Scope and Methodology

We made inquiries regarding Better Family Life, Inc.'s internal controls relating to the grants administered by SLATE, tested evidence supporting the reports the agency submitted to SLATE and performed other procedures considered necessary. Our fieldwork was completed on February 15, 2007. We requested management response on April 17, 2007. It has not been received as of the date of this report.

**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
BETTER FAMILY LIFE, INC.
CONTRACTS #660-07, and #661-07
FISCAL MONITORING REVIEW
JULY 1, 2006 THROUGH NOVEMBER 30, 2006**

CONCLUSION

Conclusion

Better Family Life did not fully comply with federal, state and local SLATE requirements.

Status of Prior Observations

The agency's most recent fiscal monitoring report dated September 1, 2006 identified two observations.

1. Non-payroll expenditures were inaccurate. **(Resolved)**
2. Payroll expenditures were inaccurate for contract #660-06 **(Resolved)**

A-133 Status

Internal Audit reviewed the Agency's A-133 audit report for the year ended December 31, 2005. There were no reportable conditions, instances of noncompliance material to the financial statements or federal award findings or questioned costs noted.

Summary of Current Observations

We made a recommendation for the following observation, which if implemented, could assist Better Family Life, Inc. in fully complying with federal, state, and local SLATE requirements.

- Disputed indirect cost calculation rate.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS, AND
MANAGEMENT'S RESPONSES**

• **Disputed Indirect Cost Calculation Rate**

The contract and funding source (SLATE) calculate indirect costs at 10% of direct costs. Better Family Life calculated indirect costs at 10.9% of direct costs. The agency staff stated it had obtained permission from federal authorities to calculate indirect costs at 10.9% of direct costs. If the correct rate is not used to calculate indirect costs, the agency may over bill the City for reimbursement. SLATE reduced the requests for reimbursement to 10 percent.

Recommendation

We recommend the agency calculate indirect cost at 10% of direct costs as stated in the contract.

Management's Response

We requested management response on April 17, 2007 as of the date of this report, it has not been received.